



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 22, 2000

Ed Ginouves
Bureau of Land Management
Cedar City Field Office
176 East DL Sargent Drive
Cedar City, Utah 84720

Re: Acceptance of Amended Notice of Intention, Terra Resources, LLC's Southern White/Mountain Project, S/001/047, Beaver County, Utah

Dear Mr. Ginouves:

Thank you for forwarding the amended Notice for Terra Resources, LLC's, Southern White/Mountain Project. Terra Resources currently has a valid small mining project with the Division located in Sections 15 and 16, T27S, R13W, Beaver County, Utah. This amendment adds portions of Section 28, 22 and 21 to this notice. Your agency's designated number for this project is UTU-78375-A1.

Your letter stated that the operator had applied with the BLM to construct a 4 acre processing site and about ½ mile of access road on BLM managed lands in section 17, T27S, R13W. The BLM did not approve of this section as it is apparently located on private land. Our records do not indicate that section 17 has been applied for or approved by the Division.

The Division has evaluated the amended Notice under the Small Mining Operation section of our Rules. The information provided in the notice meets the requirements of Rule R647-3 of the 1988 Division of Oil, Gas and Mining Minerals Rules, and Title 40-8, et seq., of the Utah Mined Land Reclamation Act of 1975. No additional information is required from the operator by the Division at this time.

By accepting this amended Notice the Division expects the operator to comply with the operation and reclamation practices as identified in the original approval. If the operator cannot comply with these practices, then a variance request must be provided to and formally approved by the Division. This request would include the particular practice which the operator cannot comply with and an explanation describing the reasons why they cannot comply. A variance

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request is not required for the practices which refer to features which are nonexistent at the project site.

If you receive additional information or amendments for this operation, please notify us so we can update our files. Please reference our designated file number S/001/047 when forwarding additional information on this project to us.

Sincerely,

A handwritten signature in black ink that reads "Tom Munson". The signature is written in a cursive, slightly slanted style.

Tom Munson
Senior Reclamation Specialist

jb
cc: Jeff Sagers, Terra Resources
Tracking File
S01-47-noi